

RESERVED

CRÖPP

 house

MOHITO

sinsay

LPP

2Q20/21 RESULTS PRESENTATION

GDAŃSK
OCTOBER 9, 2020

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1. 2Q20/21 financial results

2. Key corporate events

3. 2020/21 and 2021/22 outlook

Towards omnichannel

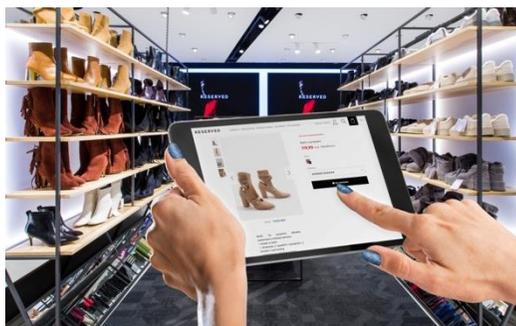
1,779 stores

+14.9% m2

-45.9% LFLs

25 countries

OFF-LINE



ON-LINE

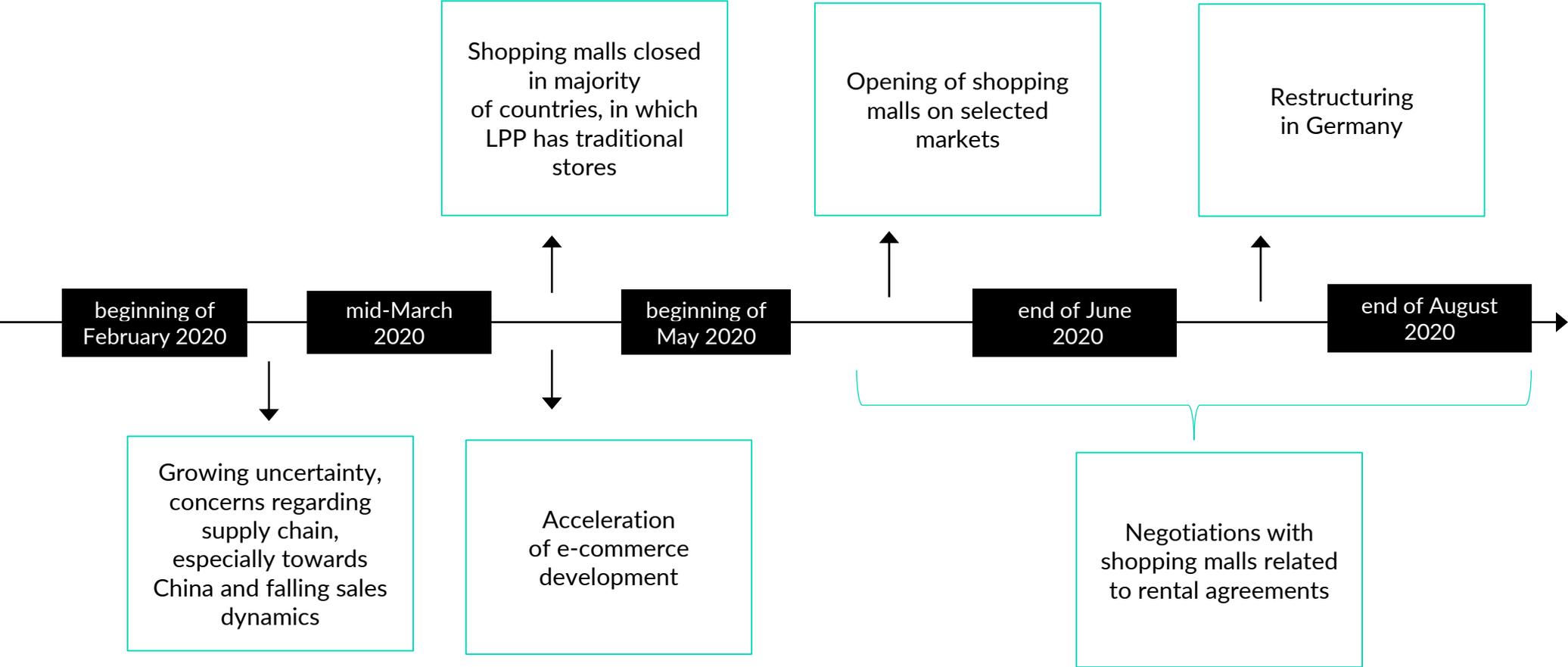
28 countries

+123.1% sales

38
COUNTRIES

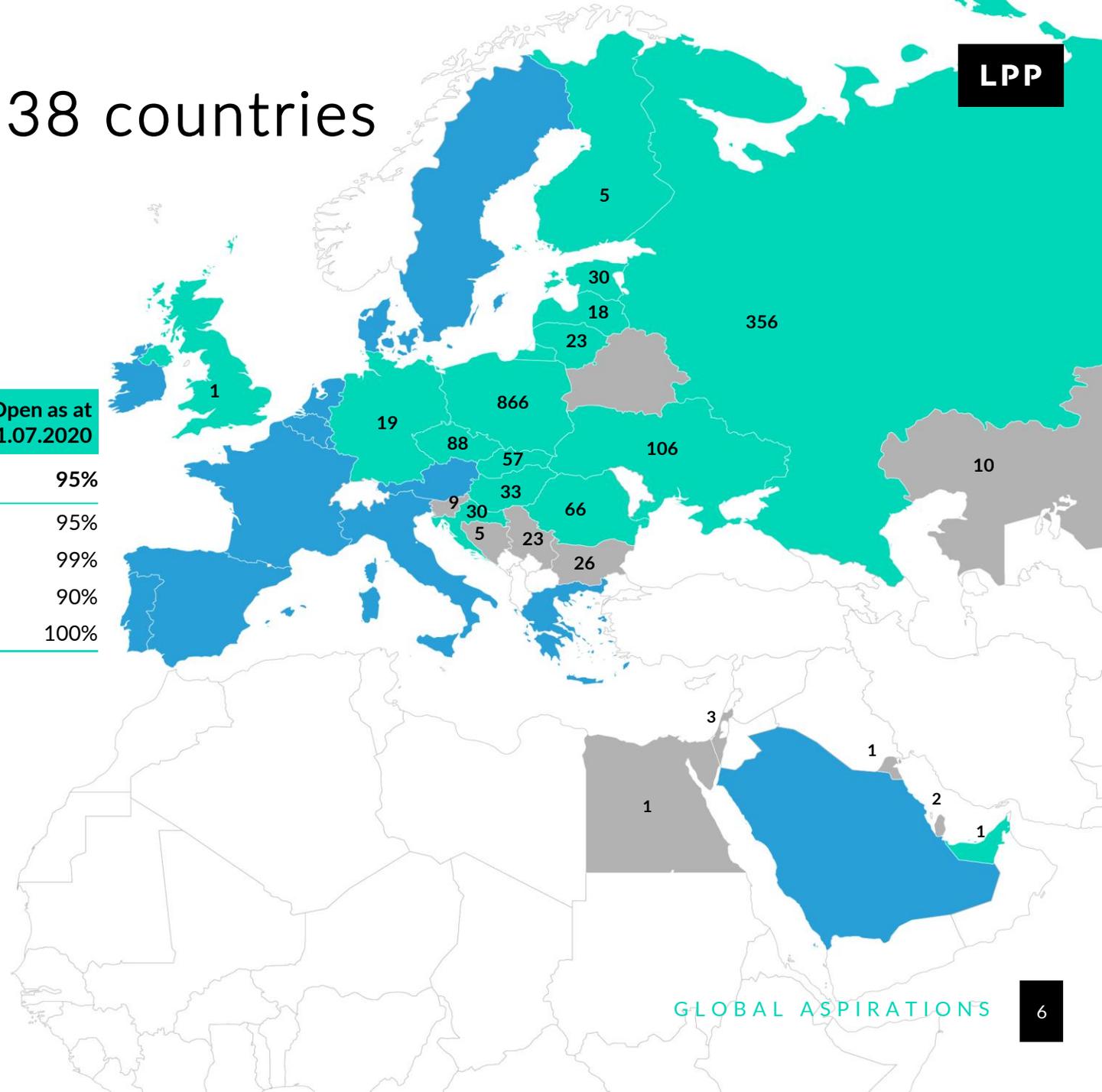
-20.6%
GROUP REVENUES

Results impacted by COVID-19



LPP present in 38 countries

As at 31.07.2020	No. of stores	YoY	Open as at 31.07.2020
LPP GROUP	1 779	+34	95%
Poland	866	-50	95%
Europe	433	+42	99%
CIS	472	+42	90%
ME	8	0	100%



● on-line + off-line ● on-line ● off-line

A shifted fiscal year

2Q20/21 is the second 3-month-long quarter of the shifted fiscal year.

2Q20/21 encompasses period from 1st May 2020 till 31st July 2020.

YoY dynamics are presented in relation to data for a comparable period that has not been published so far in this form. These are based on data for 3-month-long shifted quarters, also for 4Q19/20.



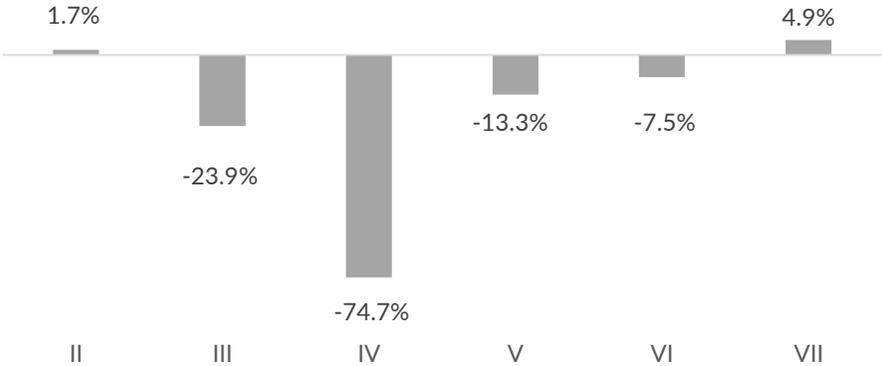
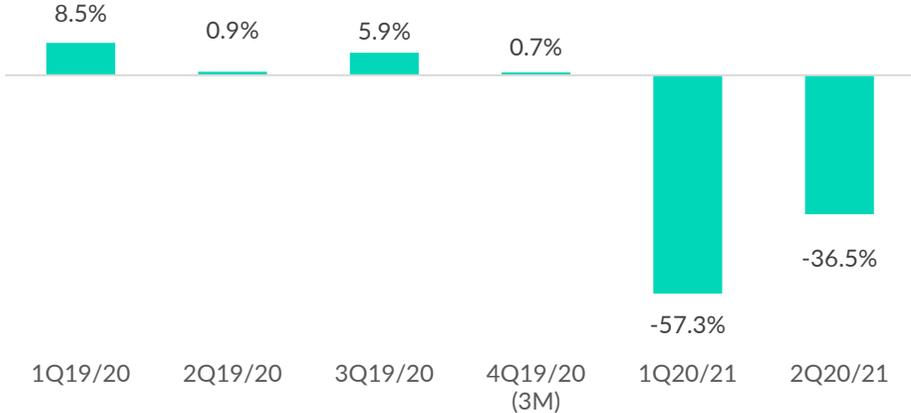
2020/21 will include 12 months and encompass period from 1st February 2020 until 31st January 2021.



Lower traffic, higher conversion

LFL DYNAMICS
(local currencies)

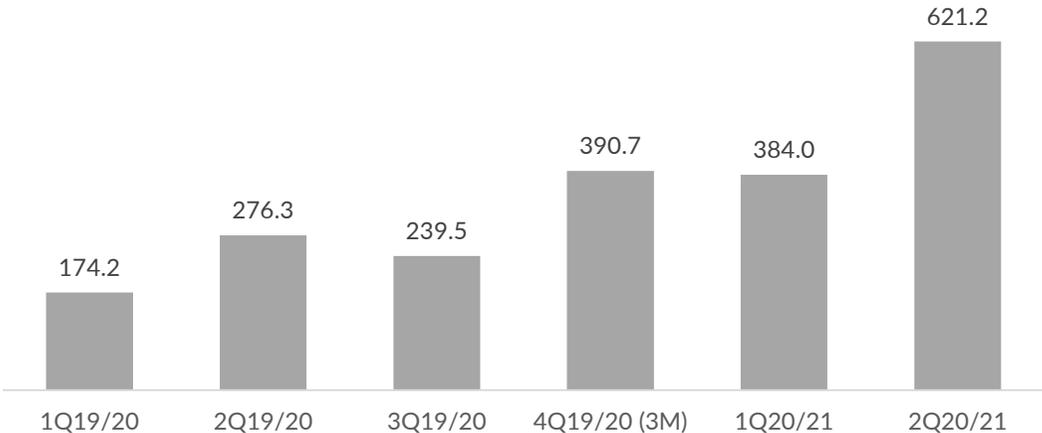
LFL OF OPEN STORES
(local currencies)



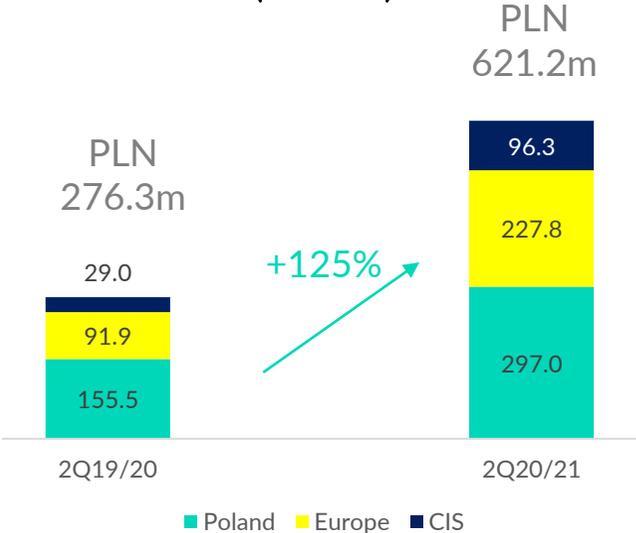
- Negative LFLs in each month of 2Q20/21, especially in May 2020. Only slight LFL fall in July 2020.
- Significant differences between LFL in various countries in 2Q20/21 - positive in Lithuania, but double-digit negative in the Middle East and Russia - a consequence of different timing of closing and reopening shopping malls.
- Changes in customer attitudes to shopping are the key to LFL in traditional stores. Stronger traffic falls in large cities with developed e-commerce infrastructure, but higher conversion. Milder traffic decreases in smaller towns and cities.

Triple-digit e-commerce dynamics

ON-LINE SALES
(PLN m)



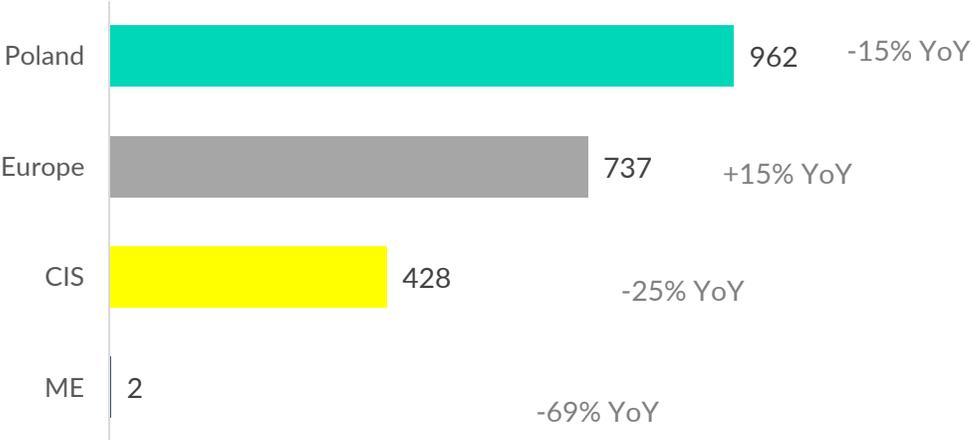
ON-LINE BY REGIONS
(PLN m)



- Triple-digit on-line sales growth (124.8% YoY) in 2Q20/21. Triple-digit growth in entries on our webpages as well as in number of new and returning customers.
- In 2Q20/21 e-commerce constituted 30.9% revenues from Poland (13.8% in 2Q19/20) and 29.2% group revenues (11.8% in 2Q19/20). Poland constituted some 48% of e-commerce revenues.
- The highest YoY increases in 2Q20/21 were visible in the European market and in the CIS region (entry to Ukraine). Middle East countries are not included as on-line sales is concluded by our partners on external platform.
- In 2Q20/21 82% of visits and 62% of purchases are made through mobile devices.

Foreign revenues exceed Polish ones

REVENUES BY REGIONS IN 2Q20/21
(PLN m)



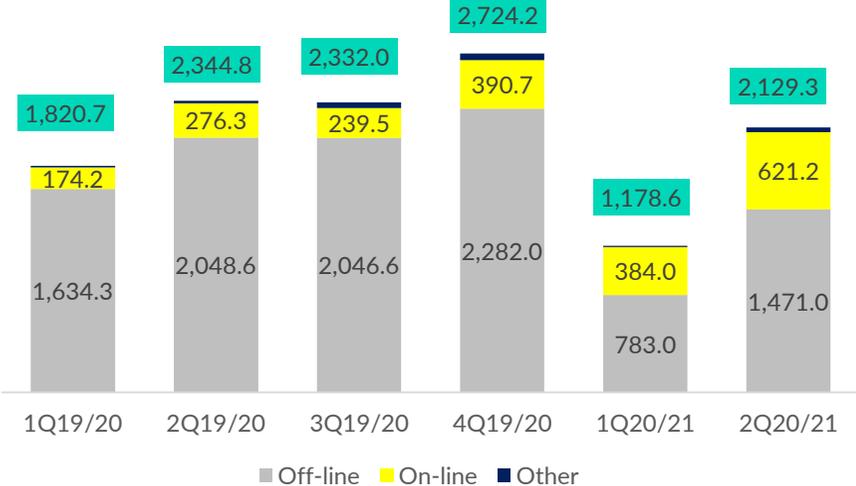
2Q20/21 FLOORSPACE
(by regions)

ths m2	2Q19/20	2Q20/21	YoY
LPP GROUP	1,135.8	1,304.9	14.9%
Poland	521.0	534.0	2.5%
Europe	327.6	403.6	23.2%
CIS	278.9	358.8	28.7%
ME	8.4	8.4	0.0%

- In 2Q20/21 foreign revenues exceeded domestic ones. Poland constituted 45.2% of revenues.
- Growing revenues in Europe due to sales increases in Baltic countries, Central and South Eastern Europe (favourable impact of logistics development in Romania) and Western Europe (stabilisation in Germany and UK, entry to Finland).
- Falls in CIS revenues in 2Q20/21 resulted from shopping malls being closed later than in Europe and from resignation from franchise stores in Belarus (own network of stores from 3Q20/21).
- Franchise stores in the Middle East have also been hit by COVID-19.

Growth on-line, fall off-line

GROUP REVENUES
(PLN m)



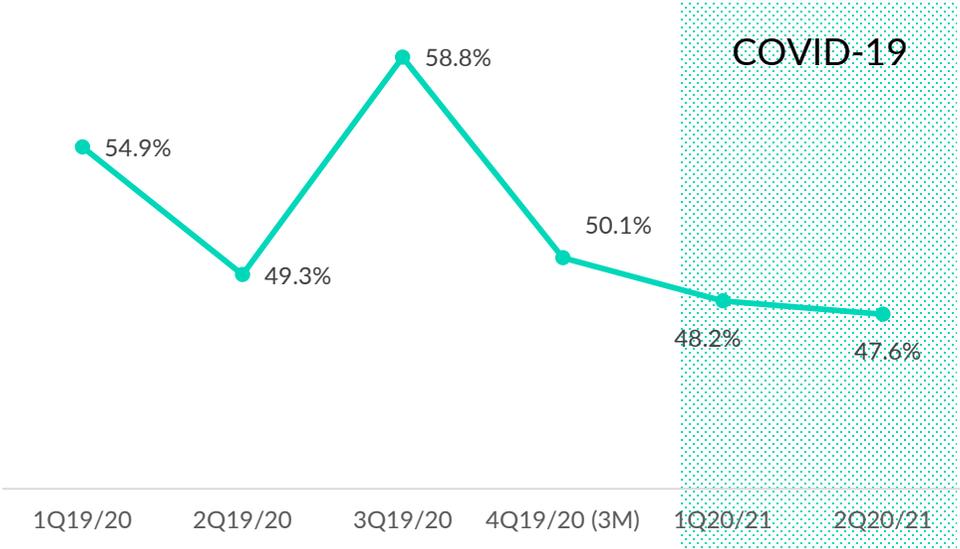
OMNICHANNEL REVENUES

PLN m	2Q19/20	2Q20/21	YoY
LPP GROUP	2,344.8	2,129.3	-9.2%
Reserved	1,119.7	938.9	-16.1%
Cropp	340.7	256.6	-24.7%
House	298.4	236.5	-20.7%
Mohito	260.4	181.9	-30.1%
Sinsay	298.0	477.6	+60.3%
Other	27.6	37.8	+36.6%

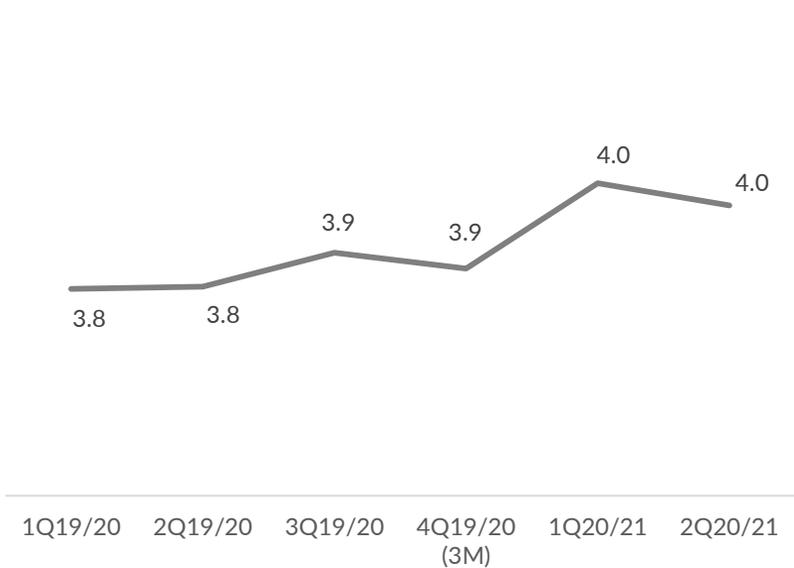
- Group revenues fell 9% in 2Q20/21, despite floorspace growth, due to negative LFLs in traditional stores. Dynamic on-line sales development was not sufficient to offset off-line falls.
- 38% YoY fall in retail revenues/ m2 in 2Q20/21 to PLN 379/m2, due to negative impact of COVID-19. 19% YoY falls in group sales/ m2 to PLN 562/m2 due to dynamic on-line growth.
- In 2Q20/21, all brands except House generated more revenues abroad than in Poland. High Sinsay growths, yet double-digit revenue falls at Cropp, House and Mohito due to lower e-commerce share and higher price positioning than other brands in LPP's portfolio.

Effective inventory reductions

QUARTERLY GROSS PROFIT MARGIN



PLN/USD



- Gross profit margin in 2Q20/21 was lower YoY due to less favourable PLN/US\$. We were not able to transfer the increased cost of purchasing on our prices in the pandemic period.
- Rational promotional policy in all brands and transfer of part of the orders for the next season allowed us to avoid strong sell-offs of our collections.
- Differentiation of pricing policy between on-line and off-line – more attractive promotions in traditional stores.

Rental costs recognition

RENTALS

UNDER IFRS16

In 2Q20/21 51% of rentals were recognised under IFRS16.

The right-of-use asset was amortised despite rental renegotiations.

Value of obtained discounts and rental amnesty shown as PLN 65.4m gain in net financial activity. This applies to annexes that LPP has not yet received.

Out of 461 renegotiated contracts relating to Poland under IFRS16 as of September 22 (cut-off), we still lack 300.

UNDER IAS17

In 2Q20/21 49% of rentals were recognised under IAS17.

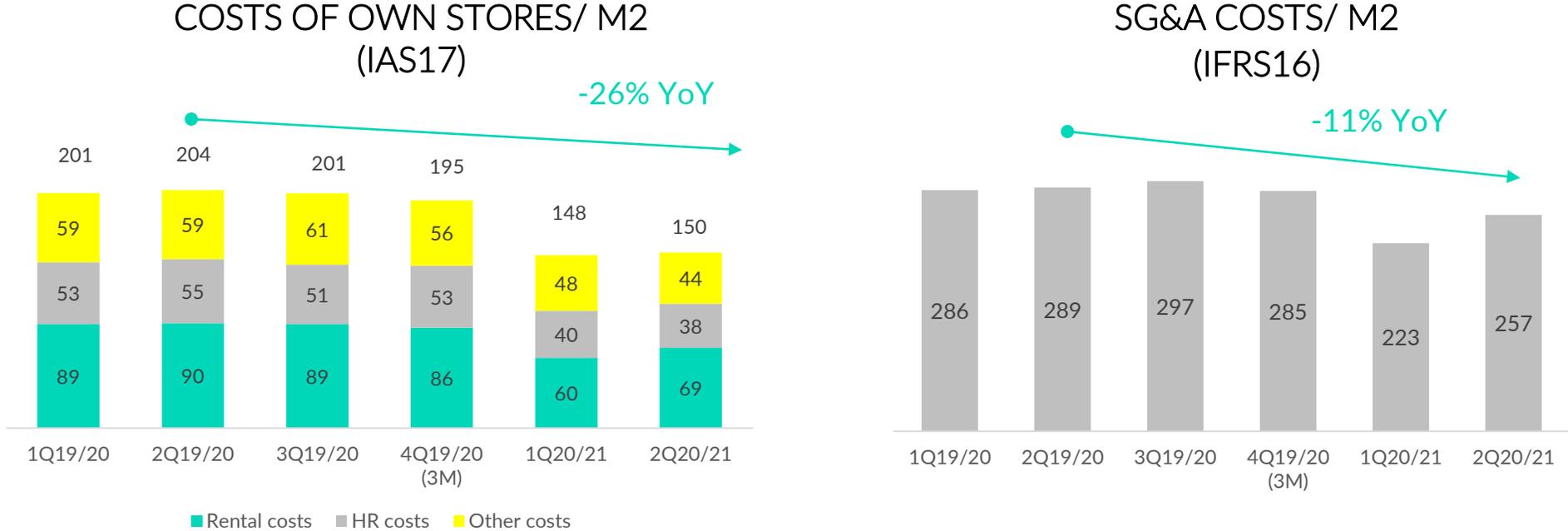
Rents in Poland for the period when shopping malls were closed were not recognized.

Rental discounts included in the values of recognized costs.

The estimated lacking amount of the right-of-use asset comes at c.PLN 110m. It relates to annexes LPP has not yet received.

WE EXPECT TO **RECEIVE ALL ANNEXES BY THE END OF THE YEAR.**

Double-digit operating costs reductions



- Lower YoY rental costs → renegotiation of rental agreements to new reality in shopping malls (falls in traffic).
- YoY fall in HR costs → salary reductions for April-June for all employees. Reduction in other costs of stores due to re-opening of stores (lower usage of electricity, materials etc.).
- Fall in SG&A/ m2 → stable YoY nominal operating costs – falls in costs of stores yet growth in HQs costs (which include e-commerce). Fall in SG&A costs per m2 due to growth in floorspace.

EBIT in the black in 2Q20

PLN m	2Q19/20 IFRS16	2Q20/21 IFRS16	YoY
Revenues	2,344.8	2,129.3	-9.2%
Gross profit margin	49.3%	47.6%	-1.7pp.
SG&A costs	964.7	966.9	0.2%
Operating profit	185.6	32.3	-82.6%
EBIT margin	7.9%	1.5%	-6.4pp.
Financial costs net	-39.5	33.7	N/M
Net profit (loss)	31.9	-30.6	N/M
EBITDA	423.3	308.1	-27.2%

Single-digit revenue drops due to opening of shopping malls in majority of countries where LPP's stores are located coupled with continuation of fast on-line growth.

YoY gross margin decrease due to inability to transfer higher PLN/US\$ onto retail prices during the pandemic. Stable level of operating costs.

PLN 49.8m subsidies for salaries recognized in other operating income and PLN 38.8m of write-offs for unprofitable stores mostly in Germany charged to other operating costs.

More favorable YoY net financial activity due to higher FX gains from IFRS16 and PLN 65.4m gain on rental renegotiation and abolition, offsetting interest costs from IFRS16.

1H20/21 results impacted by COVID-19

PLN m	1H19/20 IFRS16	1H20/21 IFRS16	YoY
Revenues	4,165.4	3,307.9	-20.6%
Gross profit margin	51.8%	47.8%	-4.0pp.
SG&A costs	1,877.7	1,782.6	-5.1%
Operating profit (loss)	249.6	-228.2	N/M
EBIT margin	6.0%	-6.9%	-12.9pp.
Financial costs net	-66.8	-124.8	N/M
Net profit (loss)	55.2	-392.6	N/M
EBITDA	721.6	325.7	-54.9%

Double-digit revenue drops due to shopping malls being closed in 1Q20/21 in majority of countries where LPP's stores are located. Triple-digit on-line sales growth.

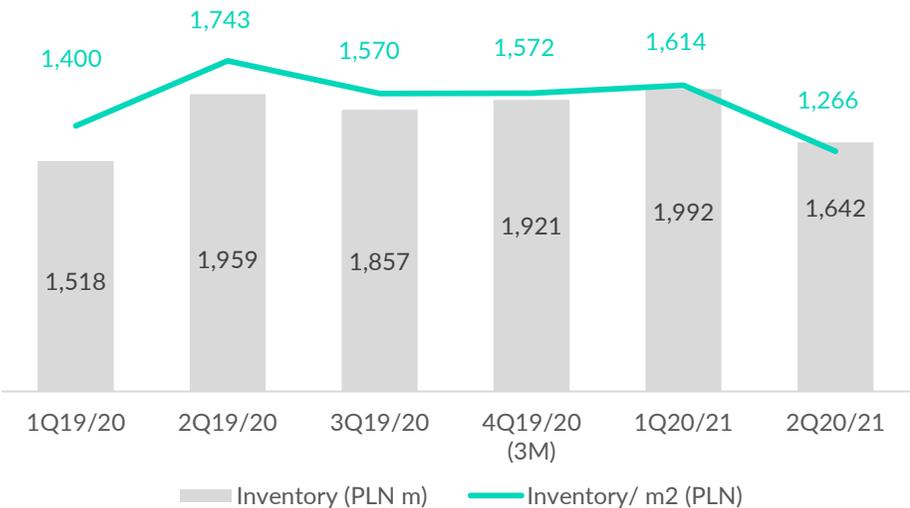
YoY gross profit margin fall due to a higher share of on-line in sales, where it is easier for customers to search for promotions more effectively. YoY decline in operating expenses.

PLN 54.8m subsidies for salaries recognized in other operating income, and PLN 39.0m of write-offs for unprofitable stores mostly in Germany charged to other operating costs.

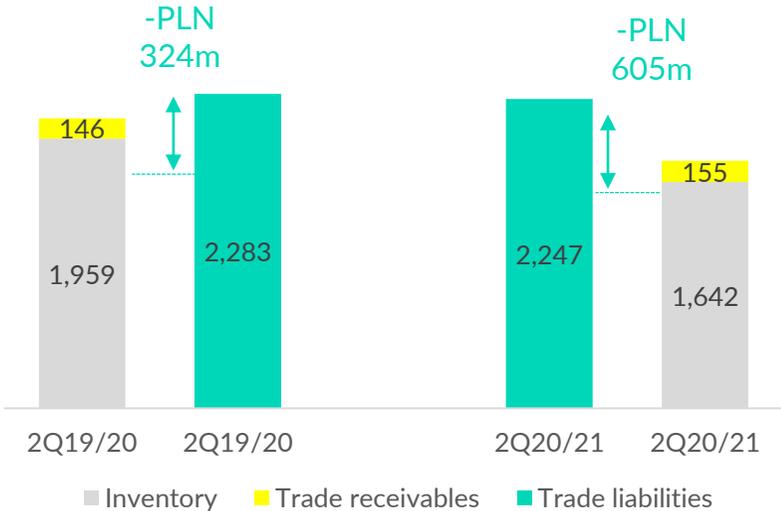
Less favorable YoY net financial activity due to higher FX losses from IFRS16 and interest costs related to IFRS16, not fully offset by PLN 65.4m gain on rental renegotiation and abolition.

Trade liabilities finance inventory

INVENTORY

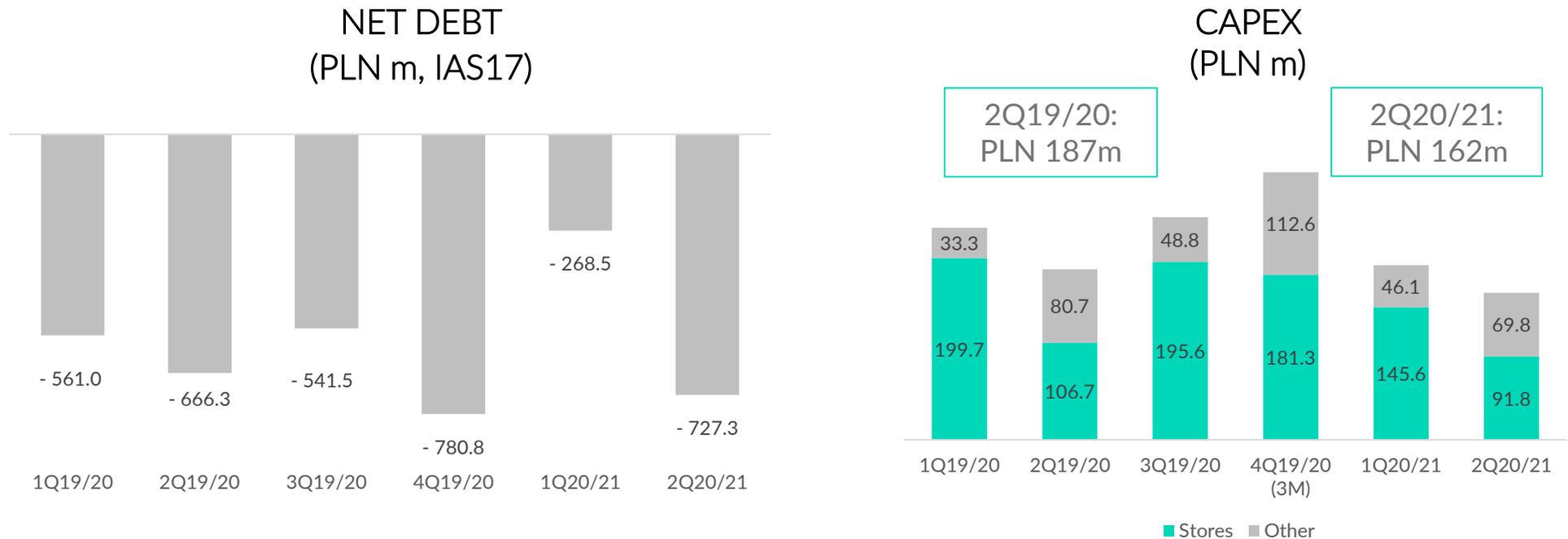


WORKING CAPITAL (PLN m)



- 16% YoY fall in inventory and 27% YoY fall in inventory/ m2 due to rebound in demand in traditional stores after opening of shopping malls, continuation of high on-line sales growths and reduction in Autumn/Winter 2020/21 orders due to COVID-19.
- Liabilities are a source of inventory financing. Supplier financing programme utilization at PLN 990m at the end of 2Q20/21. Lengthening of payment terms for suppliers.
- As a result, our cash conversion cycle remained at a low level of -25 days in 2Q20/21 (-14 days in 2Q19/20).

Net cash on the balance sheet (IAS17)



- At the end of 2Q20/21, we had PLN 0.7bn of net cash. No money market funds (positions closed).
- In 2Q20/21 capex reached PLN 162m, down 14% YoY due to lower outlays for upgrades and store opening as well as infrastructure.
- YoY growth in long-term debt due to issuance of 5-year corporate bonds in 4Q19/20. Their balance sheet value end-2Q20/21 came at PLN 300.5m, due to accrued interest. Pick-up in short-term debt due to usage of overdrafts along with falling revenues.

2Q20/21 executive summary



- 1 Rebound in revenues after reopening of traditional stores.
- 2 Triple-digit on-line sales growth.
- 3 Operating costs under control.
- 4 Trade liabilities exceed inventory.
- 5 Growing net cash (IAS17).



sinsay

- 1. 2Q20/21 financial results
- 2. Key corporate events
- 3. 2020/21 and 2021/22 outlook

Key corporate events



August 2020

COMPLETION OF RESTRUCTURING IN GERMANY

Completion of reorganization proceedings and restoration of normal operations after negotiating new terms and conditions with the landlords.

FINALISATION OF NEGOTIATIONS WITH LANDLORDS

At the end of August, we completed negotiations with landlords. These concerned 30% of LPP's floorspace, in relation to which agreements were terminated.

August 2020



MORE SUSTAINABLE

Signatory of international ZDCH initiative and Polish Plastic Pact.

August/September 2020

September 2020

LPP's ANNUAL GENERAL SHAREHOLDER MEETING

Shareholders decided not to pay dividends from last year's earnings and agreed for PLN 2.1bn buy-back in 5 years.



Rental negotiations completed successfully

- Key achievements:**
- ▶ lower base rentals per m²
 - ▶ higher share of turnover rentals
 - ▶ a base for LPP's profitable growth in upcoming years.



Cost: closing down of 14 stores in Poland.

MAY 2020
withdrawal from lease agreements for 30% of Group's floorspace

MAY – AUGUST
negotiations with shopping mall operators regarding new lease terms reflecting the new reality

SEPTEMBER – OCTOBER
signing annexes to contracts on new terms

Successful restructuring in Germany

On August 28, 2020, court in Hamburg approved LPP Deutschland GmbH request to close reorganization proceedings, terminate protection against creditors and restore the company's normal operations (without initiating further restructuring procedures).

Key achievements:

- double-digit rental cuts
- possibility of profitability in Germany from 2021/22
- reduction in the scale of write-offs for unprofitable stores from PLN 135m (original estimate) to PLN 38m



GOAL: to achieve profitability in Germany in 2021/22.

Fewer chemicals, safer clothes

In August 2020, LPP joined the Zero Discharge of Hazardous Chemicals Initiative (ZDHC).



As a Friend of ZDHC, we are committed to urging our suppliers to completely eliminate harmful substances from production. We have also pledged to support our suppliers in optimizing the management of chemicals in order to reduce their consumption.

JOINING THE ZDHC INITIATIVE

ZDHC is an initiative that aims to eliminate hazardous substances in the apparel industry by setting new standards and their implementation, with the joint involvement of companies, research and academic centers.

Less plastic, emphasis on circular economy



LPP joined the Polish Plastic Pact established on September 10, 2020. This is the next step towards implementation of sustainable development strategy. LPP is deepening its commitment to rational plastic management and elimination of plastic waste.

One of last years' steps aimed at bringing LPP closer to this goal was joining the international New Plastics Economy Global Commitment initiated by the Ellen MacArthur Foundation in cooperation with the United Nations. LPP is the sole Polish company in the global commitment.

Members of the initiative strive to change the current model of using artificial materials in packaging on the Polish market towards a circular economy.

By 2025, members want to achieve 6 strategic goals, starting with identification and then elimination of excessive and problematic packaging through redesign, innovation and alternative delivery models.

Annual General Meeting decisions

Buy-back

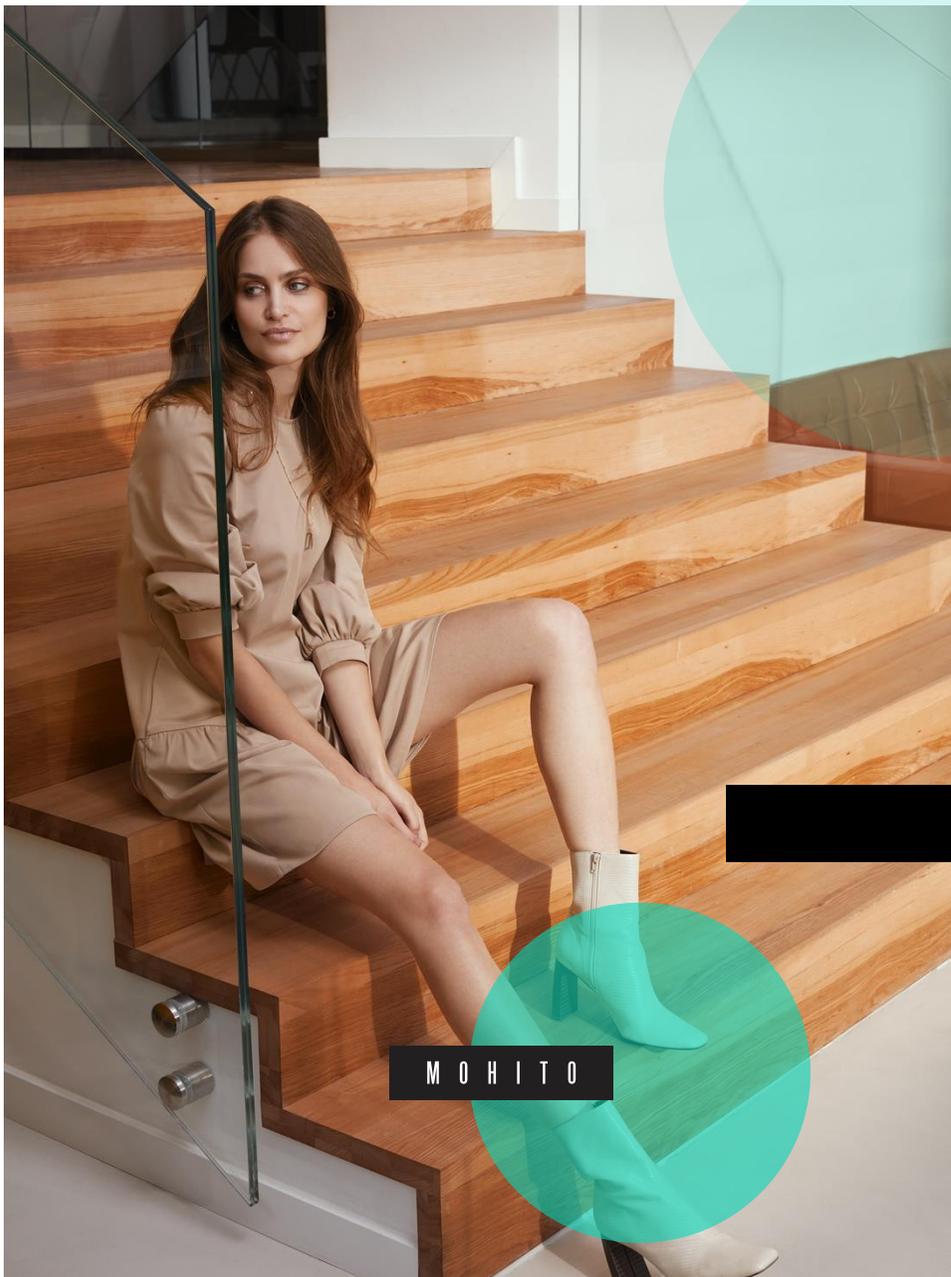
Possibility to buy-back up to 15% of equity for PLN 2.1 billion in 5 years

Approved price range is between PLN 3,000 - 8,000 per share



No dividend payout from 2019/20 profits

Plan to return to paying dividends from 2021/22



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LPP collections are a response to new trends

More basic collections;
customers increasing
conscious in their purchases



ATHLEISURE



Casual more
than formal

Fewer formal
dressing
occasions



Athleisure: the trend
of wearing sports clothes
every day; merging these with
casual elements; sportswear
for everyday activities

Growth acceleration in 2020/21

Floorspace (ths m2)	I.2020	I.2021 former target	I.2021 target	YoY
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BY REGIONS

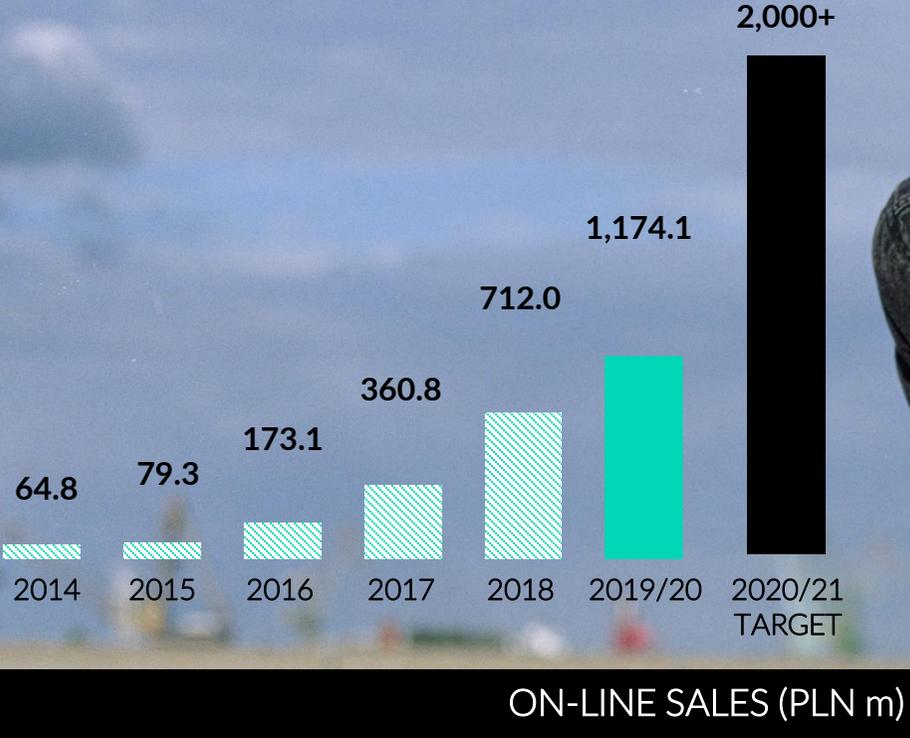
Poland	530.0	542.9	551.8	4%
Europe	370.7	408.3	417.5	13%
CIS	321.8	369.5	384.3	19%
ME	8.4	9.9	9.9	17%
TOTAL	1,230.9	1,330.5	1,363.5	11%

BY BRANDS

Reserved	664.8	676.6	673.3	1%
Cropp	147.9	161.8	161.1	9%
House	127.4	139.9	143.1	12%
Mohito	111.7	113.3	113.2	1%
Sinsay	173.3	233.5	269.0	55%
Outlets	5.8	5.3	3.8	-33%

- Continuation of floorspace growths in 2020/21: +11% YoY.
- At the end of 2020/21 Reserved traditional stores should be present in 25 countries (return to Belarus yet with own stores).
- Entry with own stores on a new market, Northern Macedonia in 2021/22, maintained.
- 2020/21 targets :
 - selective floorspace openings in Poland,
 - development acceleration in Europe,
 - double-digit floorspace growth in CIS,
 - new store in the Middle East,
 - emphasis on development of smaller brands: Cropp, House, Sinsay.
- Planned 2020/21 (12 months) capex at c. PLN 730m. Planned store capex at c. PLN 500m, HQs outlays at PLN 90m, logistics outlays at PLN 60m and IT at PLN 80m.

Dynamic on-line sales growth to continue



2020/21 target:
over **PLN 2bn**
e-commerce revenues,
doubling of revenues YoY.

Omnichannel as the future of retail

ON-LINE

dispatch of on-line orders from 160 Reserved stores in Poland thanks to RFID

greater role of on-line in larger cities

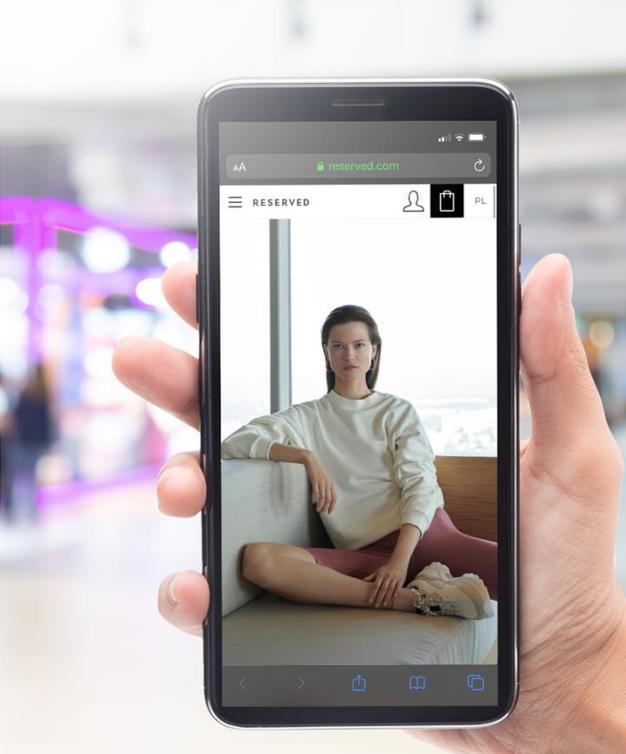
support for off-line purchasing, inspiration, e.g. through social media

OFF-LINE

possibility of ordering missing goods in store with home delivery

greater role in medium-sized cities and smaller towns

higher conversion, but fewer impulse purchases



BOTH CHANNELS NEED TO SPEAK THE SAME LANGUAGE TO OUR CUSTOMERS → CHANGES IN LPP; OMNICHANNEL DEPARTMENT

Investments in further development

PLN m	2020/21	2021/22	2022/23
Stores	500	840	750
Stores domestically and abroad	500	840	750
Offices	90	50	50
New offices Gdańsk Łąkowa – Building 1	30	0	0
New offices Gdańsk Łąkowa – Building 2	0	50	0
New offices Gdańsk Łąkowa – Building 3	0	0	50
New offices Cracow	20	0	0
New offices Gdańsk Sadowa	40	0	0
Logistics	50	150	40
Expansion of CD in Pruszcz Gdański	50	0	0
New CD Brześć Kujawski	10	150	40
IT & other	80	60	60
TOTAL	730	1,100	900

Back to space expansion, new larger showrooms, Cropp, House and Sinsay expansion

Return to investments in offices, in particular in Gdańsk; goal: employees in one location, resignation from renting offices

Return to investment in logistics, Pruszcz Gdański in 2020, Brześć Kujawski in 2021

Targets for 2020/21

Challenges

- A new model of customer behavior after COVID-19.
- Second wave of infections.
- Changes in economy and purchasing power of customers.
- Strong US\$ and EUR exchange rates, weak RUB.

Targets for 2020/21

- Revenue fall not exceeding 15% YoY.
- Gross margin in the range of 47-49%.
- EBIT above zero.
- Safe liquidity position.

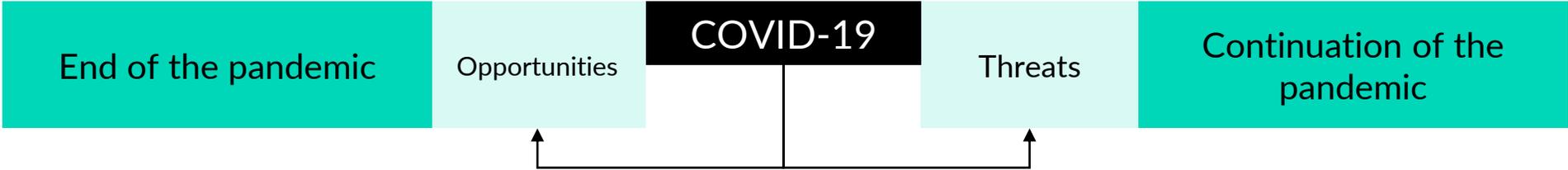
Opportunities

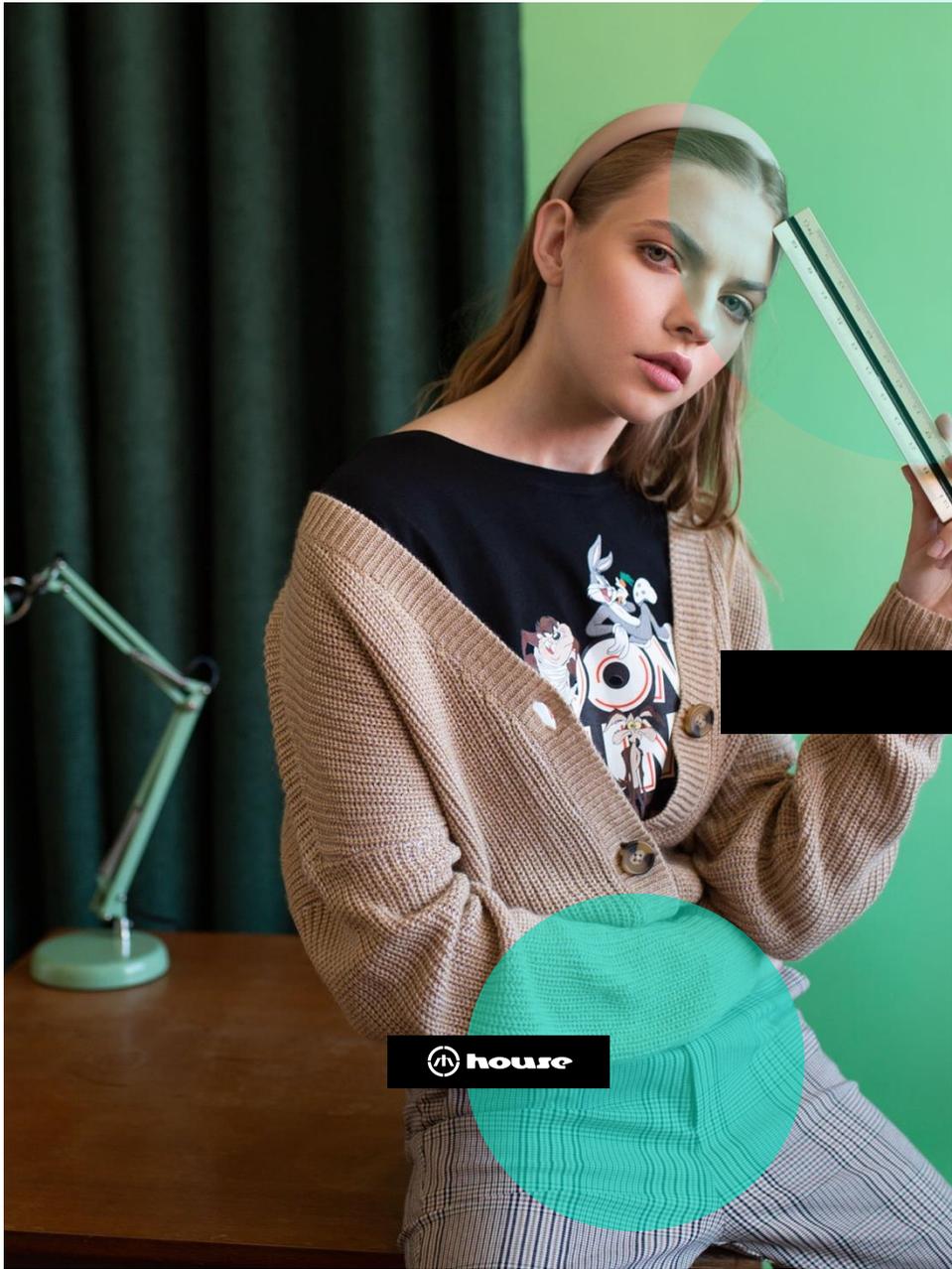
- Successful collections of all brands - favorable price-to-quality ratio.
- Further e-commerce development.
- Using RFID to support rapid omnichannel growth.



Targets relate to a comparable 12-month-long period of 2019/20. Key numbers have been presented in the back-up.

Key trends in 2021/22





Q&A





Back-up

CROPP

Network development

Floorspace (ths m2)	31.01.2019	30.04.2019	31.07.2019	30.10.2019	31.01.2020	30.04.2020	31.07.2020
Reserved	605.0	616.6	634.3	655.0	664.8	657.1	669.7
Poland	268.7	263.5	267.6	272.0	270.3	262.9	262.5
Europe	188.0	204.4	215.1	218.4	225.3	223.7	232.2
CIS	141.2	141.6	143.2	156.1	160.8	162.1	166.5
ME	7.1	7.1	8.4	8.4	8.4	8.4	8.4
Cropp	132.8	134.9	140.8	143.2	147.9	149.2	157.3
Poland	65.9	64.6	64.6	64.1	63.0	61.2	64.4
Europe	24.6	28.8	30.1	32.8	34.9	34.8	37.8
CIS	42.3	41.5	46.1	46.4	50.0	53.2	55.1
House	115.2	115.9	121.7	125.5	127.4	129.8	138.4
Poland	66.9	65.8	66.2	67.3	65.6	64.9	69.4
Europe	18.6	22.0	24.9	28.2	30.1	31.9	34.8
CIS	29.7	28.1	30.6	30.0	31.7	33.0	34.3
Mohito	107.9	108.0	108.7	112.5	111.7	110.5	111.8
Poland	53.4	52.1	52.1	53.3	51.4	50.2	49.7
Europe	24.8	26.3	26.4	28.6	29.7	29.2	30.5
CIS	29.7	29.6	30.1	30.6	30.5	31.1	31.6
Sinsay	102.7	110.5	120.7	149.1	173.3	190.4	223.1
Poland	59.8	61.4	63.6	73.2	78.4	81.4	88.0
Europe	20.2	24.8	31.0	41.2	50.7	56.3	68.4
CIS	22.7	24.3	26.1	34.7	44.2	52.8	66.8
Outlets	12.0	10.8	0.0	0.0	5.8	5.8	4.6
Total by regions							
Poland	523.0	515.5	521.0	534.9	530.0	521.7	534.0
Europe	274.7	306.3	327.6	349.2	370.7	375.9	403.6
CIS	270.9	267.8	278.9	301.5	321.8	336.8	358.8
ME	7.1	7.1	8.4	8.4	8.4	8.4	8.4
TOTAL	1,075.6	1,096.7	1,135.8	1,194.1	1,230.9	1,242.7	1,304.9

Network development details as at 1.2021

Floorspace (thb m2)	31.01.2020	31.01.2021	Nom. growth.	YoY growth
Reserved	664.8	673.3	8.5	1.3%
Poland	270.3	264.8	-5.6	-2.1%
Europe	225.3	233.2	7.9	3.5%
CIS	160.8	165.5	4.7	2.9%
ME	8.4	9.9	1.4	17.0%
Cropp	147.9	161.1	13.1	8.9%
Poland	63.0	64.5	1.4	2.3%
Europe	34.9	39.0	4.1	11.9%
CIS	50.0	57.6	7.6	15.1%
House	127.4	143.1	15.6	12.3%
Poland	65.6	69.4	3.8	5.8%
Europe	30.1	36.1	6.0	19.8%
CIS	31.7	37.6	5.9	18.6%
Mohito	111.7	113.2	1.5	1.3%
Poland	51.4	50.2	-1.3	-2.4%
Europe	29.7	31.3	1.6	5.4%
CIS	30.5	31.7	1.1	3.7%
Sinsay	173.3	269.0	95.8	55.3%
Poland	78.4	103.0	24.6	31.4%
Europe	50.7	77.8	27.1	53.6%
CIS	44.2	88.2	44.0	99.7%
Outlets	5.8	3.8	-1.9	-33.4%
Poland	1.1	0.0	-1.1	-41.3%
Europe	0.0	0.0	0.0	0.0%
CIS	4.6	3.8	0.0	0.0%
TOTAL	1,230.9	1,363.5	132.6	10.8%

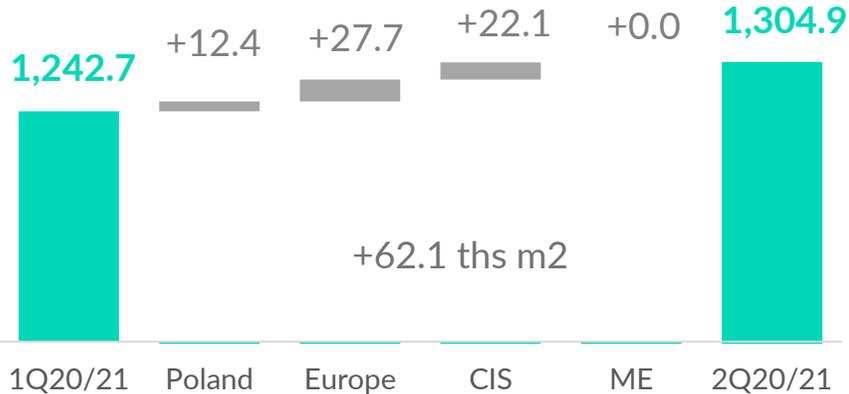
No. of STORES	31.01.2020	31.01.2021	Nom. growth	YoY growth
Reserved	454	443	-11	-2%
Poland	200	180	-20	-10%
Europe	133	140	7	5%
CIS	113	114	1	1%
ME	8	9	1	13%
Cropp	360	369	9	2%
Poland	176	173	-3	-2%
Europe	77	81	4	5%
CIS	107	115	8	7%
House	318	329	11	3%
Poland	181	169	-12	-7%
Europe	63	80	17	27%
CIS	74	80	6	8%
Mohito	283	280	-3	-1%
Poland	142	130	-12	-8%
Europe	66	70	4	6%
CIS	75	80	5	7%
Sinsay	324	387	63	19%
Poland	173	188	15	9%
Europe	79	94	15	19%
CIS	72	105	33	46%
Outlets	7	4	-3	-43%
Poland	2	1	-1	-50%
Europe	0	0	0	0%
CIS	5	5	0	-20%
TOTAL	1,746	1,783	66	4%

Changes in group 2Q20/21 floorspace

CHANGE IN FLOORSPACE BY BRANDS
(ths m2)



CHANGE IN FLOORSPACE BY REGIONS
(ths m2)



- More dynamic floorspace development abroad than domestically in 2Q20/21. Growth of floorspace in Europe resulted mainly from openings in Estonia, Romania, Serbia and Slovenia. Stable floorspace in Western Europe.
- Development in CIS region mostly in Russia and Ukraine. Stable floorspace in the Middle East in the quarter.
- In 2Q20/21 Sinsay added the most floorspace among brands. Mostly outlet stores were closed.

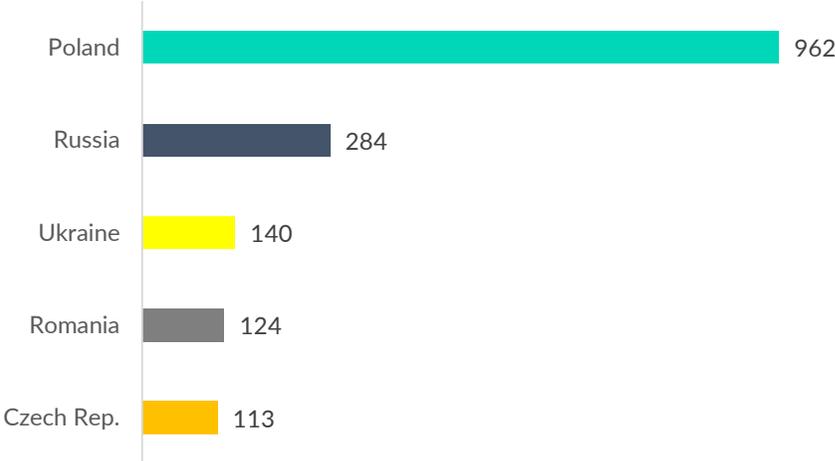
Store opening details

	Start of lockdown	End of lockdown	Comment
Poland	14.03.2020	04.05.2020	opening of those stores for which there were no rentals renegotiation
Russia	28.03.2020	26.04.2020	gradual opening of increasingly larger amount of stores; openings dependent on the region, important opening dates on June 1, 2020, June 10, 2020, June 22, 2020, June 25, 2020
Ukraine	17.03.2020	11.05.2020	first 45 stores opened May 11, 2020, then gradual openings until a bulk opening of 34 stores on May 30, 2020
Germany	18.03.2020	05.05.2020	first 5 stores opened May 5, 2020, then the rest of the stores opened at May 11, 2020
Czech Republic	14.03.2020	27.04.2020	first 9 stores opened on April 27, 2020, then 79 stores opened on May 11, 2020
Romania	23.03.2020	15.05.2020	first 5 stores opened on May 15, 2020, then 49 store openings on June 15, 2020
Slovakia	14.03.2020	06.05.2020	first stores launched on May 6, then 50 stores opened on May 20, 2020
Hungary	28.03.2020	06.05.2020	10 stores opened on May 6, then 22 stores launched May 18, 2020
Estonia	27.03.2020	11.05.2020	all stores opened May 11, 2020
Latvia	-	-	there was no lockdown, stores were opened during weekdays and closed on weekends, sizeable traffic falls
Lithuania	16.03.2020	24.04.2020	most stores opened on April 24, 2020, the rest the next day
Bulgaria	14.03.2020	18.05.2020	all stores launched May 18, 2020
Croatia	19.03.2020	28.04.2020	one store launched on April 28, 2020, the rest of the stores on May 11, 2020
Serbia	22.03.2020	04.05.2020	first 7 stores opened on May 4, 2020, then 7 stores opened May 8, 2020
Slovenia	15.03.2020	18.05.2020	majority of stores opened on May 18, 2020
UK	21.03.2020	15.06.2020	store opened on June 15, 2020
B&H	14.03.2020	04.05.2020	all stores opened at once
Finland	-	-	there was no lockdown, fall in traffic during pandemic
Kazakhstan	18.03.2020	22.05.2020	first 4 stores opened May 22, 2020, then gradual openings and 4 remaining stores opened June 2, 2020

Geographical revenue split in 2Q20/21

PLN m	2Q19/20	2Q20/21	YoY
LPP GROUP	2,344.8	2,129.3	-9.2%
Reserved PL	501.7	386.8	-22.9%
Reserved EX	618.0	552.1	-10.7%
Cropp PL	148.5	108.4	-27.0%
Cropp EX	192.2	148.2	-22.9%
House PL	173.7	129.6	-25.4%
House EX	124.7	107.0	-14.2%
Mohito PL	129.0	85.9	-33.4%
Mohito EX	131.3	96.0	-26.9%
Sinsay PL	164.5	234.3	42.4%
Sinsay EX	133.5	243.2	82.2%
Other	27.6	37.8	36.6%

TOP5 REVENUES BY COUNTRIES IN 2Q20/21 (PLN m)

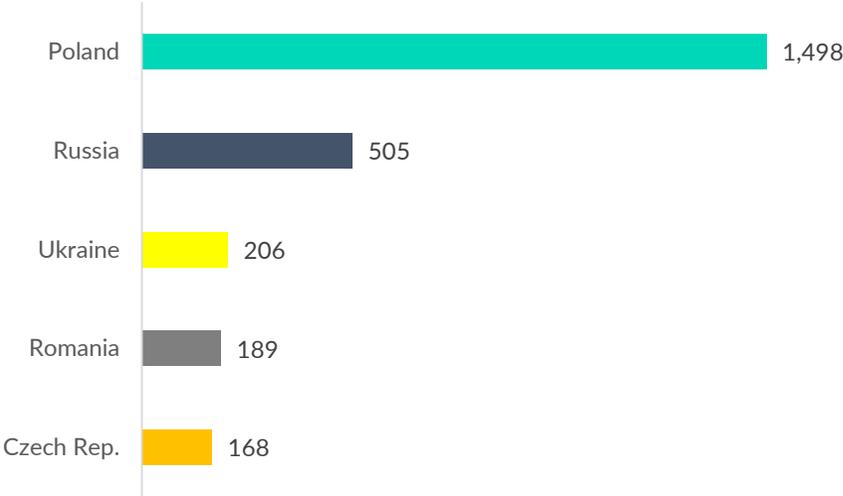


Poland remains our most important market in 2Q20/21.

Geographical revenue split in 1H20/21

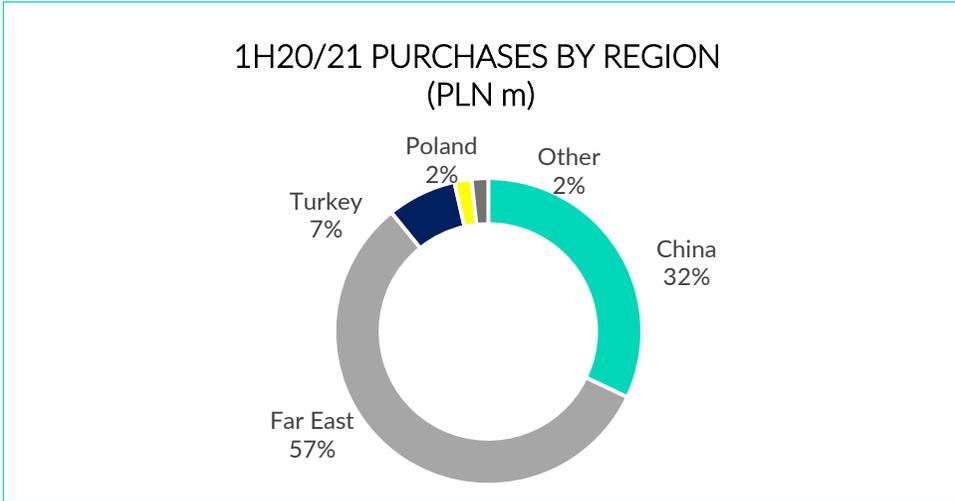
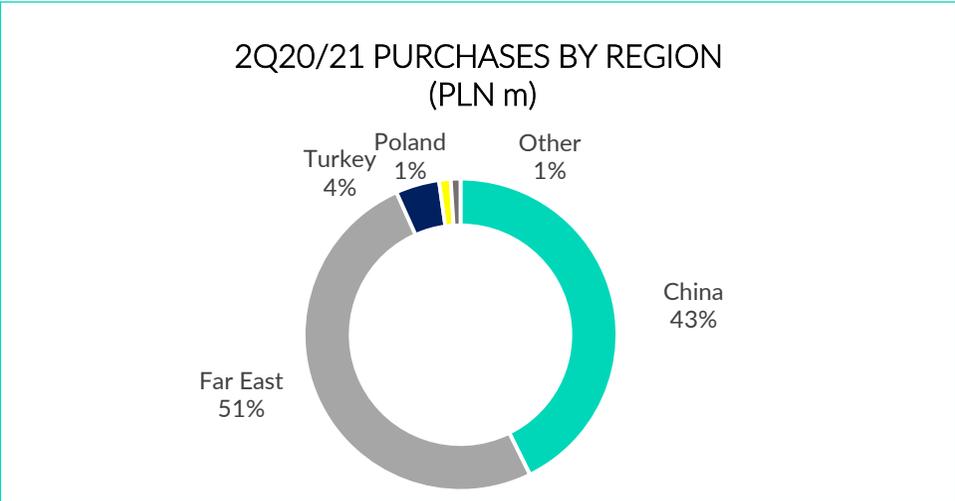
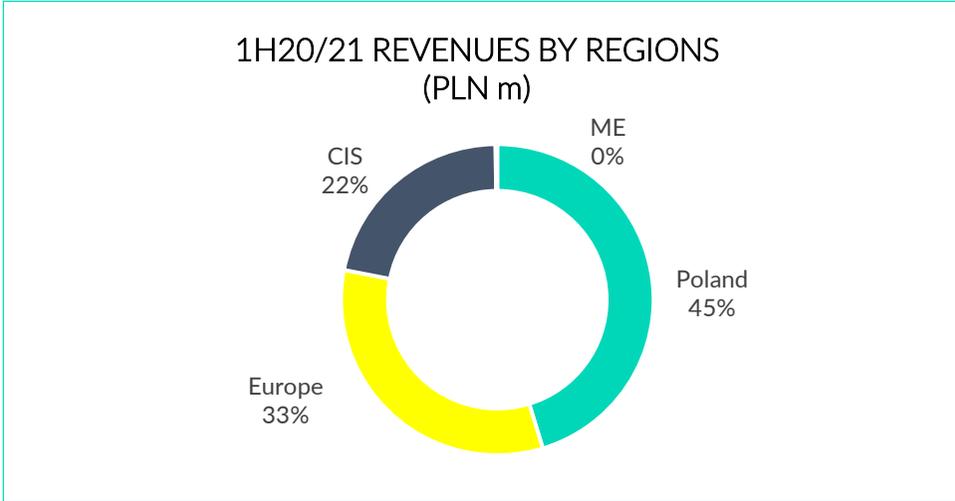
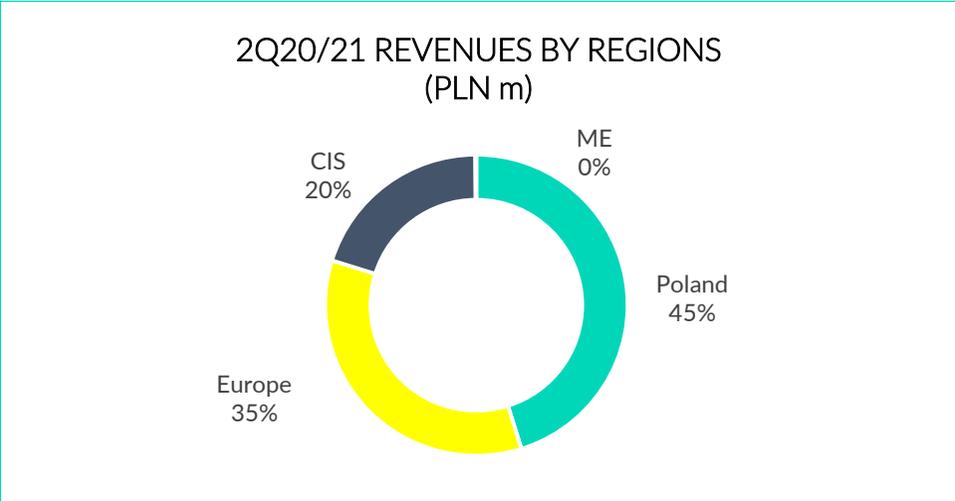
PLN m	1H19/20	1H20/21	YoY
LPP GROUP	4,165.4	3,307.9	-20.6%
Reserved PL	922.5	619.0	-32.9%
Reserved EX	1,101.7	874.1	-20.7%
Cropp PL	258.8	161.0	-37.8%
Cropp EX	328.4	230.2	-29.9%
House PL	308.6	194.0	-37.1%
House EX	211.5	161.6	-23.6%
Mohito PL	235.1	148.6	-36.8%
Mohito EX	226.7	159.0	-29.9%
Sinsay PL	298.6	350.6	17.4%
Sinsay EX	224.5	358.2	59.5%
Other	49.2	51.8	5.3%

TOP5 REVENUES BY COUNTRIES IN 1H20/21 (PLN m)



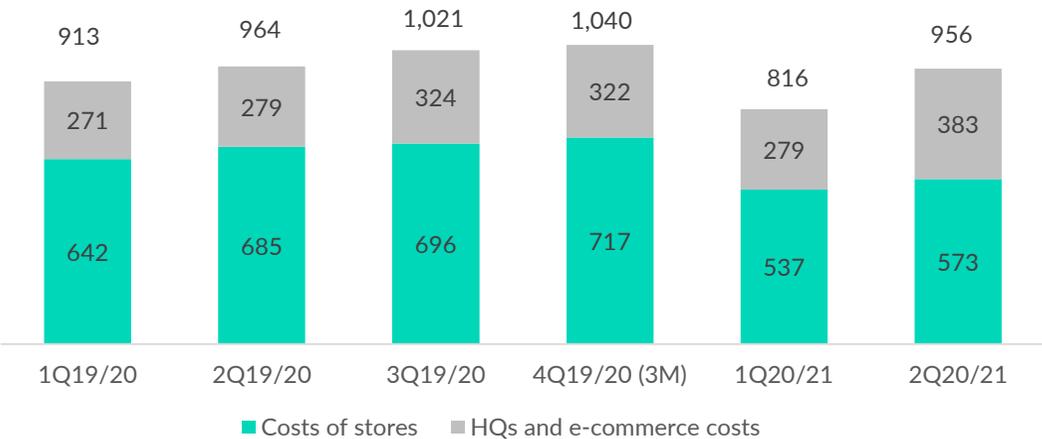
Poland remains our most important market in 1H20/21.

Revenue and COGS split

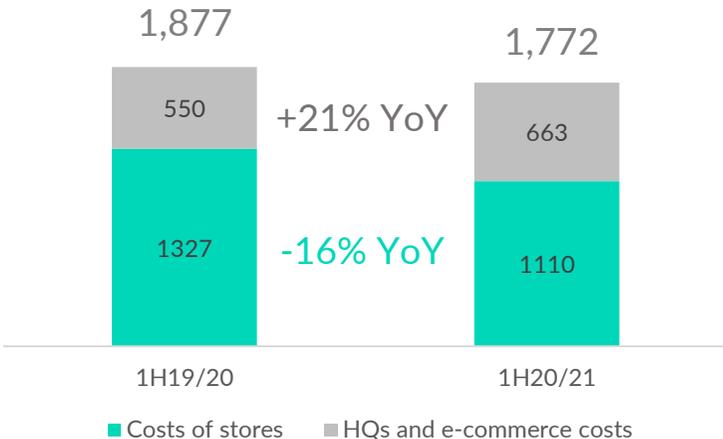


Costs of stores and HQs & e-commerce

SG&A COSTS
(PLN m, IFRS16)



SG&A COSTS
(PLN m, IFRS16)



- Costs of stores encompass costs of own stores (rentals, personnel and other) as well as costs of franchise stores in Poland. Stores in the Middle East and Belarus do not have any material effect on SG&A costs.
- Costs of stores → fall due to reductions in fixed and variable costs.
- HQ costs → growth due to larger scale of organisation and sizeable share of fixed costs.

Results under IAS17

PLN m	2Q19/20 IAS17	2Q20/21 IAS17	YoY
Revenues	2,344.8	2,129.3	-9.2%
Gross profit margin	49.3%	47.6%	-1.7pp.
SG&A costs	954.3	898.0	-5.9%
Operating profit (loss)	196.0	96.8	-50.6%
EBIT margin	8.4%	4.5%	-3.8pp.
Financial costs net	-30.5	-33.5	N/M
Net profit (loss)	47.6	-28.8	N/M
EBITDA	285.0	217.4	-23.7%

PLN m	1H19/20 IAS17	1H20/21 IAS17	YoY
Revenues	4,165.4	3,307.9	-20.6%
Gross profit margin	5.8%	47.8%	-4.0pp.
SG&A costs	1,870.4	1,711.9	-8.5%
Operating profit (loss)	256.9	-163.2	N/M
EBIT margin	6.2%	-4.9%	-11.1pp.
Financial costs net	-25.9	-64.4	N/M
Net profit (loss)	94.3	-286.9	N/M
EBITDA	438.4	65.4	-85.1%

IFRS16 1H20/21 impact summary

EBITDA	PLN 155.2m additional amortisation of right of use asset.
2Q20/21	

EBITDA	PLN 325.3m additional amortisation of right of use asset.
1H20/21	

EBIT	51% rentals under IFRS16 (PLN 86.4m). These are replaced with amortisation of right of use asset.
2Q20/21	

EBIT	60% rentals under IFRS16 (PLN 254.6m). These are replaced with amortisation of right of use asset.
1H20/21	

NET PROFIT	Financial costs related to the asset (-PLN 32.2m) and FX gains (+PLN 34.1m). PLN 4.6m impact of deferred taxes.
2Q20/21	

NET PROFIT	Financial costs related to the asset (-PLN 64.5m) and FX losses (-PLN 61.1m). PLN 19.8m impact on deferred taxes.
1H20/21	

FX and government grant details

2Q20/21

PLN 11.3m gains
 on FX differences,

including
PLN 36.1m losses on rubble and hryvnia,
PLN 23.6m gains on US\$,
PLN 10.3m losses on other currencies
 (EUR, RON, HUF, CZK)

and
PLN 34.1m gains on FX from IFRS16.

1H20/21

PLN 109.1m losses
 on FX differences,

including
PLN 54.7m losses on rubble and hryvnia,
PLN 11.8m gains on US\$,
PLN 5.0m losses on other currencies
 (EUR, RON, HUF, CZK)

and
PLN 61.1m losses on FX from IFRS16.

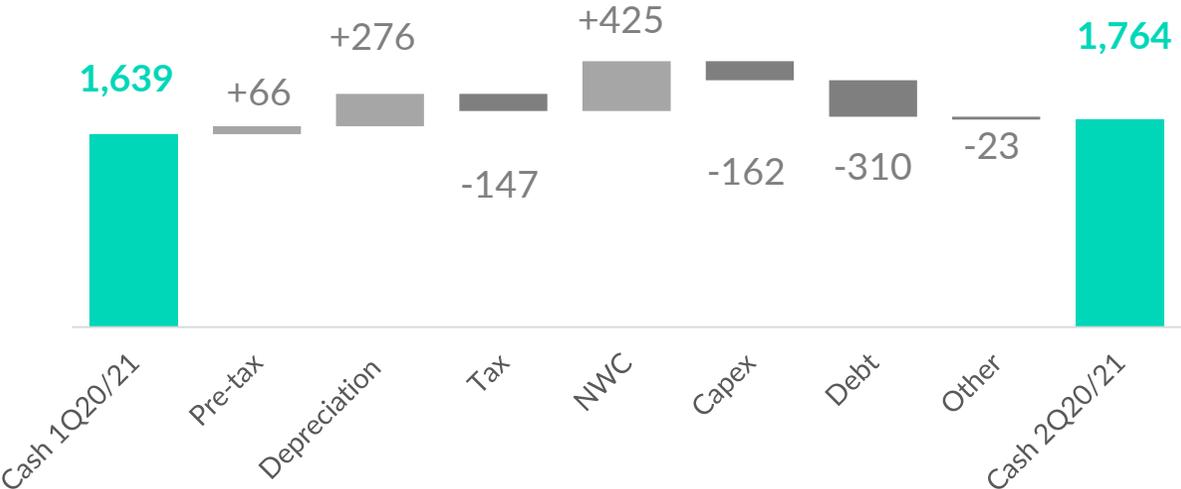
PLN 54.8m government subsidies obtained for salaries of LPP Group employees in 1H20/21.
 The highest levels: Poland **PLN 32.9m**, Czech Republic **PLN 4.8m**, Romania **PLN 2.8m**, Germany **PLN 2.6m**,
 Slovakia **PLN 2.3m**.

Historical quarterly results

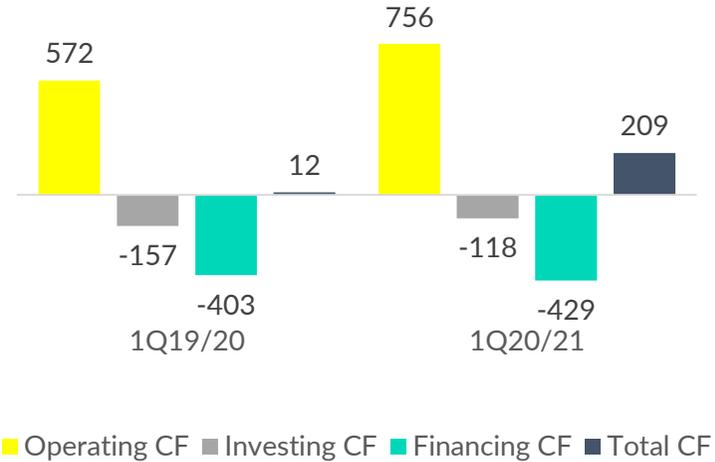
PLN m	1Q19/20 IFRS16 (February-April 2019)	2Q19/20 IFRS16 (May-July 2019)	3Q19/20 IFRS16 (August-October 2019)	4Q19/20 IFRS16 (November 2019- January 2020)	2019/20 IFRS16 (February 2019 -January 2020)	1Q20/21 IFRS16 (February-April 2020)	2Q20/21 IFRS16 (May-July 2020)
Revenues	1,820.7	2,344.8	2,332.0	2,724.2	9,221.7	1,178.6	2,129.3
Gross profit on sales	999.2	1,156.4	1,371.0	1,413.6	4,940.2	567.8	1,013.3
<i>Gross profit margin</i>	54.9%	49.3%	58.8%	51.9%	53.6%	48.2%	47.6%
SG&A costs	913.0	964.4	1 020.5	1,039.4	3,937.3	815.8	966.9
Other operating line	-22.1	-6.5	-15.2	-79.8	-123.6	-12.6	-14.2
EBIT	64.0	185.6	335.3	294.4	879.3	-260.5	32.3
<i>EBIT margin</i>	3.5%	7.9%	14.4%	10.8%	9.5%	-22.1%	1.5%
Net financial activity	-27.3	-39.5	-41.4	-55.8	-164.0	-158.5	33.7
Pre-tax profit	36.7	146.1	293.9	238.6	715.3	-419.0	66.0
Tax	13.4	114.2	57.5	44.2	229.3	-57.0	96.7
Net income	23.3	31.9	236.4	194.4	486.0	-362.0	-30.6
<i>Net income margin</i>	1.3%	1.4%	10.1%	7.1%	5.3%	-30.7%	-1.4%
EBITDA	298.4	423.2	581.2	594.2	1,897.0	17.6	308.1

Cash flows

2Q20/21 CASH GENERATION (PLN m)



2Q20/21 CASH FLOWS (PLN m)



- Operating cash flow → growing positive levels due to lengthening of payment terms.
- Investing cash flow → lower YoY capex, continuation of withdrawals from money market funds.
- Financing cash flows → higher YoY repayment of debt.
- PLN 1.3bn in open credit lines used for letters of credits, guarantees and overdrafts.

A strong balance sheet despite pandemic

PLN m	2Q19/20	4Q19/20	2Q20/21
Non-current assets	5,438,5	5,870,7	5,664,0
fixed assets	2,039,7	2,312,4	2,294,7
intangibles (incl. goodwill)	396,2	413,3	417,1
right of use assets (IFRS16)	2,861,1	3,000,2	2,808,2
Current assets	3,253,7	3,735,1	3,744,1
inventory	1,958,6	1,921,1	1,641,7
trade receivables	146,0	143,8	155,2
cash and equivalents	896,4	1,361,5	1,763,5
Total assets	8,692,3	9,605,9	9,408,0
Equity	2,803,4	3,247,5	2,757,8
Long-term liabilities	2,618,5	3,159,3	3,095,8
interest bearing debt	57,4	462,9	506,8
financial leases (IFRS16)	2,444,1	2,568,0	2,476,3
Short-term liabilities	3,270,3	3,199,1	3,554,4
trade liabilities	2,283,1	2,100,8	2,246,8
interest bearing debt	172,7	109,5	520,7
financial leases (IFRS16)	593,6	680,2	700,5
Total liabilities and equity	8,692,3	9,605,9	9,408,0

- IFRS16: right-of-use asset and lease finance liability.
- YoY increase in fixed assets due to network development and investments in logistics and headquarters.
- YoY increase in intangibles due to investments in IT.
- Lower YoY inventories due to effective sell-offs and shifts in order deliveries.
- Higher cash due to reduced investment, increased liabilities and lower costs.
- Stable YoY trade payables despite lower inventories due to extended payment terms.
- YoY increase in long-term debt results from the issue of corporate bonds in 4Q19/20, and the short-term one from the use of working capital loans.

Brands' summary

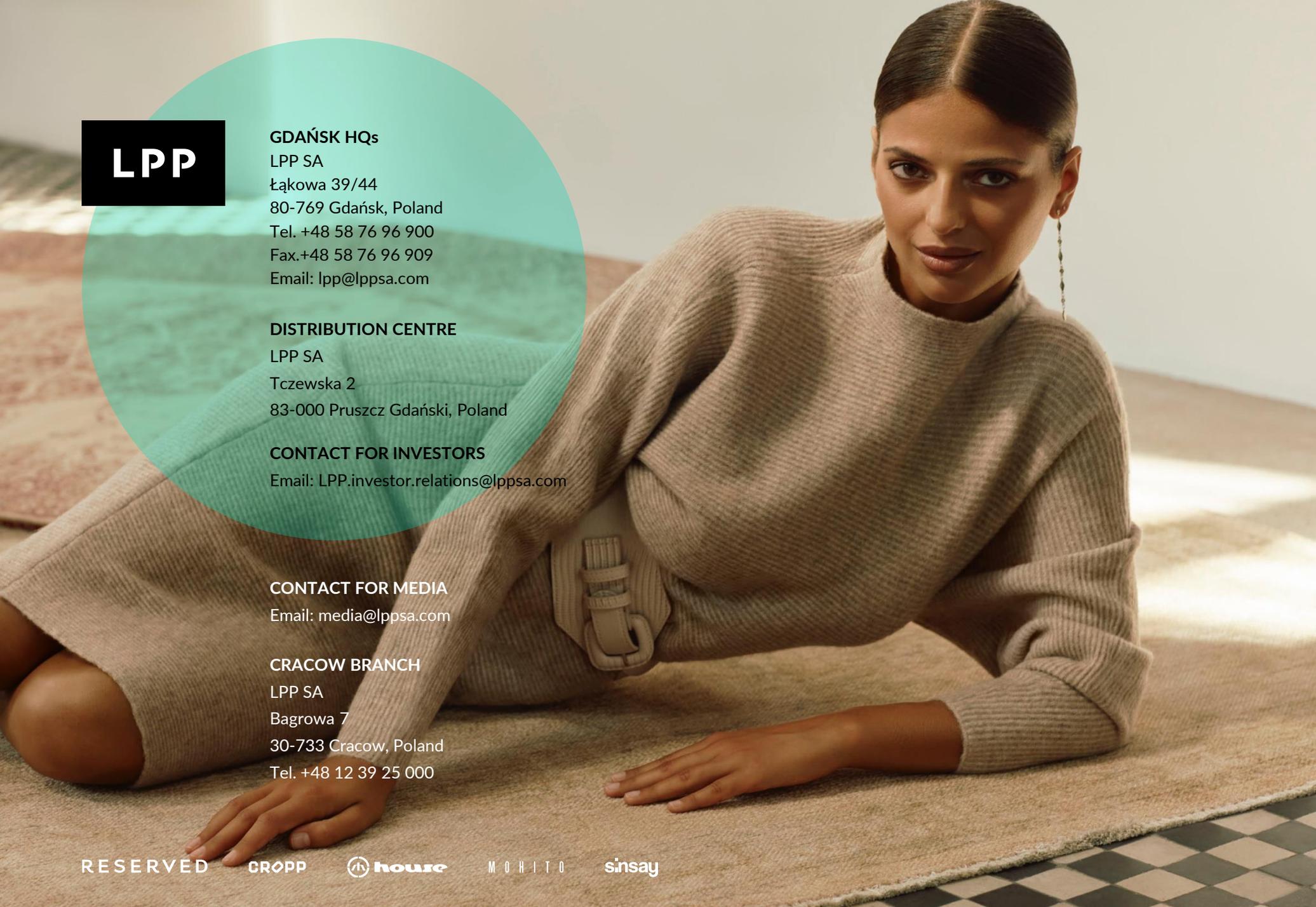
WE FOCUS ON AVERAGE PRICE LEVEL

	RESERVED	CROPP	 hour	M O H I T O	sinsay
BRAND DESCRIPTION	An anchor brand with a broad customer base offering the latest trends	A streetwear brand inspired by hip-hop and pop-culture	Optimistic fashion brand	A brand that combines comfort and elegance for business and informal meetings	Clothes for everyday inspirations and original party outfits
TARGET CUSTOMER	Women, men, children	Teenagers (boys and girls)	Teenagers (boys and girls)	Young women	Women, men, teenagers and children
DATE OF LAUNCH	1998	2004	2001 (w LPP od 4Q08)	2008 (w LPP od 4Q08)	2013
REGIONS	CEE, SEE, Baltic, CIS, WE, ME	CEE, SEE, Baltic, CIS, WE (Finlandia)	CEE, SEE, Baltic, CIS, WE (Finlandia)	CEE, SEE, Baltic, CIS, WE (Finlandia)	CEE, SEE, Baltic, CIS, WE (Finlandia)
# STORES 2Q20/21	442	372	329 138.4 ths m2	277 111.8 ths m2	354 223.1 ths m2
AVERAGE STORE AREA	1,515 m2	423 m2	421 m2	404 m2	630 m2
REVENUES 2Q20/21	PLN 939m	PLN 257m	PLN 237m	PLN 182m	PLN 478m

Note: the total area of the brands does not add up to Group's floorspace, as at the end of 2Q20/21 we had 5 outlets.

Glossary

Poland	Retail sales in Poland and other sales of LPP SA.
CEE	Region including: Czech Republic, Slovakia, Hungary.
Baltic	Region including: Lithuania, Latvia, Estonia.
CIS	Region including: Russia, Ukraine, Belarus and from 2018 also Kazakhstan.
SEE	Region including: Bulgaria, Romania, Croatia, Serbia, from 2018 also Slovenia and from 2019/20 B&H, while from 2021/22 Northern Macedonia.
WE	Region including Germany and the UK, while from 2019 also Finland.
ME	Region including: Egypt, Qatar, Kuwait, UAE, while from 2018 also Israel. Until mid-2017 the region also encompassed Saudi Arabia.
Europe	Region including: CEE, Baltic, SEE and WE.
EBITDA	EBIT + depreciation from cash flow statement.
Average monthly revenues/m ²	Revenues of segment or brand / average working total floorspace / 3.
Average monthly costs of own stores/m ²	Quarterly costs of own stores / average working floorspace of own stores (ie. excluding all franchise stores which represent c. 3.2% of the working floorspace) / 3.
Average monthly SG&A PLN/m ²	Quarterly SG&A costs/ average working total floorspace excluding stores located in ME and Belarus / 3.
Inventory/ m ²	End of period group inventory/ total floorspace without franchise stores in ME and Belarus.
Cash turnover cycle	Receivables (in days) plus inventories (in days) minus liabilities (in days). Calculations on average amounts of receivables, inventories and liabilities.



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RESERVED

CROPP

 **rits house**

MOHITO

sinsay